

INDIAN OUTLET OPPORTUNITIES - SAVINGS

HISTORY:

- Indian outlet volume continues to grow - 90 outlets average 5,000 cartons per week.
- Have used overstocks of Private Label in past to counter Private Stock/Exact.
 - Value Buy - Sold 11,949 cases in 1994
 - Slim Price - Sold 2,430 cases in 1995
 - Sold over 1000 cases of Disc. FP at Savings price.
- Have identified need to have a brand ongoing with something else beside price to drive volume.

OPPORTUNITY:

- Company needs to protect Gold Coast name.
- Suggest that we use at Indian outlets for a Win/Win.
- Suggest that we use Full Price packaging with savings blend (Monarch)
- Suggested price - Full Price with ongoing \$4.00, \$5.50, \$6.00 coupon to be at or close to Private Stock pricing- could have price off on carton vs. coupon.
- Would like to eliminate Sales Force workload of introducing new item every 6 months and have brand in market place ongoing.
- Monarch success indicates we can introduce via price and keep consumers if product/packaging acceptable while reducing discount.
- Feel coupon value of Gold Coast could be reduced sometime following introduction - possibly back close to Doral level or equal to with only periodic couponing below the \$3.00 level of Doral and GPC.

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- 50% of RJR business currently in Savings brands in Buffalo Division with Syracuse Market (McLane) being even greater.

Listed below find savings brands in the Buffalo/Syracuse Markets, along with Index and SOM:

<i>Brand</i>	<i>Index</i>	<i>SOM</i>	<i>Index</i>	<i>SOM</i>
MONARCH	84	2.6	184	5.7
DORAL	155	5.8	145	5.4
PRIME	55	0.31	256	1.42
PRIV. STOCK	234	3.9	89	3.13
GPC	111	3.9	89	3.13
OLD GOLD	189	1.3	135	0.92
BASIC	115	4.4	96	3.7

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